


BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2001-210-C - ORDER NO. 2001-1121

DECEMBER 17, 2001

IN RE: Application of TelecomEZ Corporation for a	)	ORDER
Certificate of Public Convenience and	)	GRANTING
Necessity to Operate as a Reseller of	)	CERTIFICATE FOR
Intrastate Interexchange Telecommunications	)	LONG DISTANCE
Services within the State of South Carolina	)	AUTHORITY AND
and for Alternative Regulation.	)	ALTERNATIVE
	)	REGULATION



This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of TelecomEZ Corporation ("TelecomEZ" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate, interexchange telecommunications services within the State of South Carolina. In addition, the Company requests that the Commission regulate its business services offerings in accordance with the principles and procedures established for alternative regulation in Orders No. 95-1734 and No. 96-55 in Docket No. 95-661-C. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2000) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed TelecomEZ to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of TelecomEZ's Application and of the manner and time in which to file the appropriate

pleadings for participation in the proceeding. TelecomEZ complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on November 1, 2001, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable William Saunders, Chairman, presided. Bonnie D. Shealy, Esquire represented TelecomEZ. Florence P. Belser, Deputy General Counsel, represented the Commission Staff.

Ms. Colleen Hiner, Manager of Marketing Development for TelecomEZ, appeared and testified in support of the Application. Ms. Hiner testified that she is responsible for negotiating with wholesale carriers to resell bandwidth, determining and filing tariffs with state regulatory agencies and with the Federal Communications Commission, monitoring regulations issued by state and federal agencies, and managing the customer service department. The record reveals that TelecomEZ is a Colorado corporation that was formed in January, 2001, and received authorization to transact business within the State of South Carolina on April 9, 2001. Ms. Hiner testified that TelecomEZ proposes to offer a full range of interexchange telecommunications services, including MTS, in-WATS, out-WATS, and calling card services to customers within South Carolina. Ms. Hiner stated that TelecomEZ's calling card is not a debit card.

Regarding the Company's technical abilities to offer telecommunications services in South Carolina, Ms. Hiner testified that TelecomEZ will utilize Global Crossings as the underlying carrier. Ms. Hiner stated that between the bandwidth obtained from Global

Crossings and the bill system which TelecomEZ is utilizing from Sandy Beaches, TelecomEZ has the ability to monitor customers' needs and records. TelecomEZ will either bill for its services through direct billing or LEC billing, at the customers' option, and the Company's name and number will appear on the bill. TelecomEZ is authorized to provide intrastate telecommunications services in thirty-four states and the District of Columbia, and TelecomEZ has been providing services in those states since August 2001. According to Ms. Hiner, TelecomEZ's customer service department is fully staffed and available Monday through Friday from 8:00 a.m. until 5:00 p.m., Mountain Standard Time, and voice mail is available after hours. Further, TelecomEZ is in the process of implementing a pager system for contact after hours.

Concerning the financial ability of TelecomEZ to operate within South Carolina, Ms. Hiner stated that TelecomEZ has the financial backing of its parent company, OpenLCR. Ms. Hiner described TelecomEZ as a "start-up" company but assured the Commission of the parent company's commitment to providing financial support for TelecomEZ.

As to TelecomEZ's managerial abilities to offer the services it proposes to offer in South Carolina, Ms. Hiner testified that TelecomEZ is guided by an experienced management team that includes the two owners who have over thirty years of telecommunications experience between them. The owners have gathered a staff of twelve employees with varying degrees of experience in the telecommunications industry.

According to the Application and Ms. Hiner's testimony, TelecomEZ requests a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976) so that TelecomEZ can maintain its records outside of South Carolina. TelecomEZ wishes to maintain its books and records at its headquarters in Colorado, but TelecomEZ will keep South Carolina specific records. Ms. Hiner acknowledged that TelecomEZ is aware and agrees to abide by the Commission's regulation that requires that these records be made available for examination by the Commission at reasonable hours.

According to Ms. Hiner, TelecomEZ has never had authority denied in any state where it has applied for authority nor has the Company had authority revoked in any state where it has been granted authority. Additionally, TelecomEZ has never been the subject of an investigation, fined or sanctioned by a state or federal regulatory body. According to the testimony, TelecomEZ has not marketed its services in South Carolina prior to receiving certification, and TelecomEZ has not received revenues from the completion of intrastate calls in South Carolina prior to receiving certification. Finally, Ms. Hiner stated that TelecomEZ will abide by all the Commission's rules, regulations and Orders upon the Company receiving certification to operate as a reseller of intrastate interexchange telecommunications services in South Carolina. TelecomEZ requested that all of its business service offerings be regulated pursuant to the procedures described and set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. It is TelecomEZ's intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACT**

1. TelecomEZ is organized as a corporation under the laws of the State of Colorado and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. TelecomEZ is a provider of long distance services and wishes to provide long distance services in South Carolina.

3. TelecomEZ has the experience, capability, and financial resources to provide the services as described in its Application.

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to TelecomEZ to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for the long distance services of TelecomEZ which are consistent with the principles and procedures established for alternative regulation for business service offerings set out in Order Nos. 95-1734 and 96-

55 in Docket No. 95-661-C. Under the Commission approved alternative regulation, the business service offerings of TelecomEZ including consumer card services, and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 96-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to TelecomEZ also.

3. The Commission adopts a rate design for TelecomEZ for its resale of residential interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. TelecomEZ shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. TelecomEZ shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the

general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff, which would be applicable to the general body of the Company's subscribers, shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 2000).

5. If it has not already done so by the date of issuance of this Order, TelecomEZ shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations. Further, TelecomEZ shall file a copy of its Bill Form as required by 26 S.C. Code Ann. Regs. 103-612.2.2 and 102-622.1 (1976) with its final Tariff.

6. TelecomEZ is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

7. With regard to the TelecomEZ's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

8. TelecomEZ shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If TelecomEZ changes underlying carriers, it shall notify the Commission in writing.

9. TelecomEZ shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). The title of this form is "Annual Information on South Carolina Operations For Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

10. TelecomEZ shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, TelecomEZ shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. TelecomEZ shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms); this form shall be utilized for the provision of this information to the Commission. Further, TelecomEZ shall promptly notify the Commission in writing if the representatives are replaced.

11. With regard to the origination and termination of toll calls within the same LATA, TelecomEZ shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3,



1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

12. By its Application and testimony at the hearing, TelecomEZ requested a waiver from the Commission's requirement to maintain its books within the State of South Carolina according to 26 S.C. Code Ann. Regs. 103-610 (1976). The Commission grants TelecomEZ's request to waive the record keeping regulation so that its books and records may be kept at its principal office and headquarters in Colorado.

13. TelecomEZ is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

14. This Order shall remain in full force and effect until further Order of the Commission.

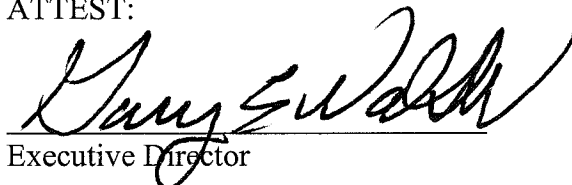
BY ORDER OF THE COMMISSION:



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Chairman

ATTEST:

  
Executive Director

(SEAL)